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Charles Eldering

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Carlineo, Spicer & Kee, LLC
2003 S. Easton Road, Suite 208
Doylestown, PA 18901

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Please find below and/or attached an Office communication concerning this application or proceeding.

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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

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8 *Ex parte* CHARLES ELDERING
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11 Appeal 2009-000502
12 Application 09/857,257
13 Technology Center 1700
14

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16 Decided: ¹ July 13, 2009
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19 Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and
20 JOSEPH A. FISCHETTI, *Administrative Patent Judges*.
21 FETTING, *Administrative Patent Judge*.

22 DECISION ON APPEAL

23 STATEMENT OF THE CASE

¹ The two month time period for filing an appeal or commencing a civil action, as recited in 37 CFR § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

1 Charles Eldering (Appellant) seeks review under 35 U.S.C. § 134 of a final
2 rejection of claims 1-9, 47-76, 78-80, the only claims pending in the application on
3 appeal. The Appellant presented oral arguments at a hearing on June 23, 2009.

4 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

5 SUMMARY OF DECISION²

6 We AFFIRM.

7 THE INVENTION

8 The Appellant invented a way for auctioning advertisement opportunities based
9 on the correlation of an advertisement with a consumer profile. This can be used
10 for the auctioning of advertisements which are delivered as part of broadcast video
11 programming, printed material such as magazines and periodicals, or as part of
12 web site pages. This is done over a networked computer environment, with
13 notification of an advertising opportunity presented as an advertiser, who transmits
14 an advertisement characterization to determine the propriety of the advertisement
15 to consumers. This determination, in the form of a correlation factor, is
16 transmitted to the advertiser who can subsequently place a bid for the
17 advertisement opportunity. Upon acceptance of the bid the advertisement is
18 delivered to the content/opportunity provider who delivers the ad to the consumer.
19 The advertisement characterization may be in the form of an ad characterization

² Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed November 30, 2007) and Reply Brief ("Reply Br.," filed April 18, 2008), and the Examiner's Answer ("Ans.," mailed February 21, 2008), and Final Rejection ("Final Rej.," mailed April 5, 2007).

1 vector, and the consumer characterization is in the form of a consumer
2 characterization vector, with the correlation factor being calculated as the scalar
3 product between the ad characterization vector and the consumer characterization
4 vector. (Spec. 4:16 - 5:9).

5 An understanding of the invention can be derived from a reading of exemplary
6 claim 1, which is reproduced below [bracketed matter and some paragraphing
7 added].

8 1. In a networked environment having a plurality of computer
9 systems interconnected for the purpose of transmitting and receiving
10 data, a method for auctioning an advertisement opportunity, said
11 method comprising

12 (a) providing notification of an advertisement opportunity from a
13 content/opportunity provider computer system,

14 wherein said advertisement opportunity corresponds to an
15 opportunity to transmit an advertisement to a consumer;

16 (b) receiving an advertisement characterization from an advertiser
17 computer system,

18 wherein said advertisement characterization corresponds to an
19 advertisement;

20 (c) calculating a correlation factor

21 between said advertisement characterization and said consumer
22 in a profiler computer system;

23 (d) transmitting said correlation factor

24 to said advertiser computer system

25 prior to receiving a bid for said advertisement opportunity from
26 said advertiser computer system; and

27 (e) receiving a successful bid for said advertisement opportunity

28 at said content/opportunity provider computer system,

wherein said successful bid results in the transmission of said advertisement to said consumer in said advertisement opportunity.

THE REJECTIONS

The Examiner relies upon the following prior art:

| | | |
|---------|-----------------|---------------|
| Fisher | US 5,835,896 | Nov. 10, 1998 |
| Feezell | US 6,253,189 B1 | Jun. 26, 2001 |
| Kramer | US 6,327,574 B1 | Dec. 4, 2001 |

Claims 1-8, 47-76, and 78-80 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer.

Claim 9 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer, and Fisher.

ARGUMENTS

Claims 1-8, 47-76, and 78-80 rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer.

Claims 1-8, 47-51, 71-76, and 78-80

The Appellant argues these claims as a group. Accordingly, we select claim 1 as representative of the group. 37 C.F.R. § 41.37(c)(1)(vii) (2008).

The Appellant contends that Feezell in view of Kramer does not teach or suggest "transmitting said correlation factor to said advertiser computer system prior to receiving a bid for said advertisement opportunity from said advertiser computer system; and receiving a successful bid for said advertisement opportunity at said content/opportunity provider computer system, wherein said successful bid results in the transmission of said advertisement to said consumer in said

advertisement opportunity." (App. Br. 13). The Appellant argues that (1) the correlation factor is not transmitted prior to receiving a bid (App. Br. 14); (2) Feezell does not teach an advertisement characterization (App. Br. 15); (3) information transmitted by Feezell is not a comparison of a consumer and an advertisement characterization (App. Br. 16); (4) Feezell does not receive an advertisement characterization (App. Br. 17); and (5) there is no motivation to combine the references and the proposed combination changes the principle of operation of the primary reference (App. Br. 18).

Claims 52-56 and 58

We select claim 52 as representative of this group. Claim 52 is an independent claim similar in scope to claim 1, but requires that the successful bid is received in response to said correlation factor being transmitted to said advertiser computer system for said advertisement opportunity and results in the transmission of said advertisement to said consumer in said advertisement opportunity. The Appellant argues that the proposed combination does not teach or suggest that a "successful bid is received in response to said correlation factor being transmitted." (App. Br. 19).

Claim 57

The Appellant argues that the Examiner does not explain how valuation data is equivalent to a correlation factor or how the bid in Feezell depends on the valuation data. (App. Br. 20).

Claims 63-70

We select claim 63 as representative of this group. Claim 63 is an independent claim similar in scope to claim 1, but requires that the bid be based on the

1 correlation factor. The Appellant argues that Feezell does not state that the bid is
2 based on the correlation factor. (App. Br. 21).

3 *Claim 9 rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer,*
4 *and Fisher.*

5 The Appellant argues for the patentability of claim 9 on the basis of its
6 arguments supporting the parent claims to claim 9. (App. Br. 21-22).

7 ISSUES

8 The issue of whether the Appellant has sustained its burden of showing that the
9 Examiner erred in rejecting claims 1-8, 47-76, and 78-80 under 35 U.S.C. § 103(a)
10 as unpatentable over Feezell and Kramer turns on the above enumerated
11 arguments.

12 The issue of whether the Appellant has sustained its burden of showing that the
13 Examiner erred in rejecting claim 9 under 35 U.S.C. § 103(a) as unpatentable over
14 Feezell, Kramer, and Fisher turns on the arguments in support of the parent claims.

15 FACTS PERTINENT TO THE ISSUES

16 The following enumerated Findings of Fact (FF) are believed to be supported
17 by a preponderance of the evidence.

18 *Feezell*

19 01. Feezell is directed to trading advertising time slots for programs
20 displayed to viewers, delivering advertising content to broadcasters, and
21 settling accounts between parties to a transaction. (Feezell 1:5-8).

22 02. In Feezell, a time slot offer is received from a seller, and Feezell
23 makes time slot marketing valuation data available to the buyer. Then a

1 bid is received from a buyer. The bid includes a bid price. (Feezell 3:1-
2 20).

3 03. An advertising opportunity in the form of a time slot offer is sent to
4 Feezell's system, and is stored in a database. The opportunity record
5 includes the title of the program including both the series name and the
6 episode name. (Feezell 5:8–35).

7 04. A program id is *correlated* to other data sets stored on database, such
8 as marketing and valuation data that assist the seller and/or buyer to
9 value a time slot, and helps the buyer to determine important viewership
10 properties of the time slot. The date and time at which the program in
11 which the time slot occurs and the broadcaster id are also included in the
12 data. The broadcaster id can be *correlated* to a broadcaster marketing
13 and valuation data set that provides information on the geographical
14 footprint of a broadcaster, the demographics of the broadcaster's viewing
15 area, the reliability with which the broadcaster has shown advertisements
16 in contracted-for time slots, and the cost per thousand of showing an
17 advertisement. (Feezell 5:8 – 6:8).

18 05. A buyer of advertising, i.e. an advertiser, from the advertiser's
19 computer, searches for suitable time slots by entering a geographic area;
20 demographic requirements; and the cost willing to pay. The buyer also
21 enters criteria including date and time of broadcast, program name,
22 program id, broadcaster, and other fields. (Feezell 6:66 – 7:9).

23 *Kramer*

24 06. Kramer is directed to the creation and maintenance of models of
25 consumers, based upon transactional data extracted from structured

1 information viewed by the consumer, for presenting targeted content,
2 such as advertising or special offers, without compromising the
3 consumer's privacy. (Kramer 1:15-21).

4 07. The basis for Kramer's model is a choice of characteristic values
5 which together form a model of a given consumer or product at a given
6 time. The characteristic values are represented as a vector of real
7 numbers where each value measures the degree to which the
8 corresponding characteristic applies to the consumer or product.
9 (Kramer 10:51 – 11:3).

10 *Facts Related To The Level Of Skill In The Art*

11 08. Neither the Examiner nor the Appellant has addressed the level of
12 ordinary skill in the pertinent arts of systems analysis and programming,
13 advertising and promotion, and systems designed to manage and
14 promote advertising. We will therefore consider the cited prior art as
15 representative of the level of ordinary skill in the art. *See Okajima v.*
16 *Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of
17 specific findings on the level of skill in the art does not give rise to
18 reversible error ‘where the prior art itself reflects an appropriate level
19 and a need for testimony is not shown’”) (quoting *Litton Indus. Prods.,*
20 *Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

21 *Facts Related To Secondary Considerations*

22 09. There is no evidence on record of secondary considerations of non-
23 obviousness for our consideration.

PRINCIPLES OF LAW

Claim Construction

During examination of a patent application, pending claims are given their broadest reasonable construction consistent with the specification. *In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1369, (Fed. Cir. 2004).

Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003) (claims must be interpreted “in view of the specification” without importing limitations from the specification into the claims unnecessarily).

Although a patent applicant is entitled to be his or her own lexicographer of patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses to give terms uncommon meanings, the inventor must set out any uncommon definition in some manner within the patent disclosure so as to give one of ordinary skill in the art notice of the change).

Obviousness

1 A claimed invention is unpatentable if the differences between it and the
2 prior art are “such that the subject matter as a whole would have been obvious at
3 the time the invention was made to a person having ordinary skill in the art.”
4 35 U.S.C. § 103(a) (2000); *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406
5 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

6 In *Graham*, the Court held that that the obviousness analysis is bottomed on
7 several basic factual inquiries: “[1)] the scope and content of the prior art are to be
8 determined; [(2)] differences between the prior art and the claims at issue are to be
9 ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved.” 383
10 U.S. at 17. *See also KSR*, 550 U.S. at 406. “The combination of familiar elements
11 according to known methods is likely to be obvious when it does no more than
12 yield predictable results.” *Id.* at 416.

13 “When a work is available in one field of endeavor, design incentives and
14 other market forces can prompt variations of it, either in the same field or a
15 different one. If a person of ordinary skill can implement a predictable variation,
16 § 103 likely bars its patentability.” *Id.* at 417.

17 “For the same reason, if a technique has been used to improve one device,
18 and a person of ordinary skill in the art would recognize that it would improve
19 similar devices in the same way, using the technique is obvious unless its actual
20 application is beyond his or her skill.” *Id.*

21 “Under the correct analysis, any need or problem known in the field of
22 endeavor at the time of invention and addressed by the patent can provide a reason
23 for combining the elements in the manner claimed.” *Id.* at 420.

ANALYSIS

Claims 1-8, 47-76, and 78-80 rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer.

Claims 1-8, 47-51, 71-76, and 78-80

Basically, claim 1 recites a system for the bidding for advertising opportunities after notifying potential advertisers and receiving advertisement characterizations and then calculating and sending a correlation factor. The Examiner found that Feezell performs this sequence but transmits a valuation factor instead of a correlation factor, but further found that Kramer describes the desirability of giving advertisers correlation information. So the Examiner found one of ordinary skill would have found it predictable to send Kramer's correlation information along with Feezell's valuation information. (Ans. 3-4).

In Feezell, a prospective advertising opportunity is first sent in from the broadcaster, acting as a program content provider. (FF 03 & 04). Then a buyer retrieves valuation characteristics by searching Feezell's database. (FF 05). Then the buyer submits a bid. (FF 02). We find that apart from the specific characterization of the data recited in claim 1, Feezell describes the precise steps in the same sequence in claim 1 of providing notification of something, receiving information from another system, calculating some correlation and transmitting it to the system that received the data, and receiving a successful bid. Thus, the issues remaining and argued surround the particular data used.

The data recited in the claim does not alter the operation of the method. Thus, the data is non-functional and merely descriptive. Non-functional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). Cf. *In re Gulack*, 703

1 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally
2 related to the substrate, the descriptive material will not distinguish the invention
3 from the prior art in terms of patentability). But we find the particular data
4 employed in the prior art shows that the data claimed was at least predictable as
5 well.

6 As to the first argument that the correlation factor is not transmitted prior to
7 receiving a bid, the Appellant contends that Feezell does not send a correlation
8 factor and that Feezell could not send such a factor in any event prior to the bid
9 because no information is received from the advertiser upon which to derive such a
10 factor (App. Br. 14). The Examiner responds that Feezell describes sending
11 valuation data prior to the bid and Kramer is applied to describe sending
12 correlation information. The Examiner found that the reason for sending
13 correlation information paralleled that of Feezell's valuation information. (Ans.
14 25-26). We agree with the Examiner.

15 Feezell describes the value of including valuation data correlated to the
16 advertizing opportunity. (FF 04). Kramer describes providing data correlating
17 factors that relate to products such as with consumers. (FF 07). This data forms
18 models used to target advertisements to consumers. (FF 06). Thus, Kramer
19 describes the desirability of calculating a correlation factor between a product in an
20 advertisement and a consumer. A product in an advertisement characterizes such
21 an advertisement, and so Kramer's desirability extends to calculating a correlation
22 factor between an advertisement characterization and a consumer. So, again, it is
23 Kramer rather than Feezell that describes the predictability of sending such
24 correlation data between an advertisement characterization and consumers
25 although Feezell describes sending some form of correlation data for valuing such
26 an advertisement. This finding also answers the Appellant's third argument

1 regarding the information transmitted by Feezell being not a comparison of a
2 consumer and an advertisement characterization.

3 As to Feezell's timing not sending information prior to the bid argued by the
4 Appellant, we find that Feezell does indeed send valuation information prior to the
5 bid. (FF 02). And because the correlation data in Kramer is known to be effective
6 for valuing an advertisement, one of ordinary skill would have known to send
7 Kramer's correlation with Feezell's valuation data prior to receiving a bid.

8 As to the second and fourth arguments that Feezell fails to receive an
9 advertising characterization, again, this characterization is non-functional
10 descriptive matter. But even accepting the characterization as deserving of
11 patentable weight, the claim does not limit the manner in which the data that is
12 received in limitation [2] characterizes an advertisement. Again, the advertisement
13 may be prospective, and is therefore not necessarily even known as to content in
14 the claim. Thus, the search query that is sent by the advertiser's computer system
15 is such a characterization in that it characterizes the geographic area, demographic
16 requirements and cost of the advertisement. (FF 05).

17 As to the fifth argument regarding lack of motivation to combine the prior art
18 and changing Feezell's principle of operation, as we found *supra*, Kramer
19 describes the desirability of adding consumer correlation information to Feezell's
20 valuation data. Adding such correlation data would not change Feezell's operation
21 given that Feezell describes transmitting valuation information prior to a bid in any
22 event.

23 *Claims 52-56 and 58*

24 As to the argument regarding the bid in response to the correlation factor
25 transmission, as we found *supra*, Feezell describes the successful bid being

1 received in response to valuation data being transmitted to said advertiser computer
2 system for the advertisement opportunity. This results in the transmission of the
3 advertisement to the consumer in the advertisement opportunity. Again, Kramer
4 describes the predictability of appending its correlation factor data to such
5 valuation data.

6 *Claim 57*

7 This is not so much an argument as a request for clarification as to how
8 valuation data is equivalent to a correlation factor or how the bid in Feezell
9 depends on the valuation data. Again, Kramer describes the predictability of
10 appending its correlation factor data to such valuation data. The bid in Feezell
11 includes a bid price. (FF 02). A bid price must be based on what is bid upon is
12 worth. The valuation data, which one of ordinary skill would have found
13 predictable to append Kramer's customer correlation data to, is sent to provide the
14 basis for determining this worth.

15 *Claims 63-70*

16 As to the argument that Feezell does not state that the bid is based on the
17 correlation factor, again Feezell bases its bid on valuation data and one of ordinary
18 skill would have found predictable to append Kramer's customer correlation data
19 to Feezell's valuation data.

20 *Claim 9 rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer,*
21 *and Fisher.*

22 The Appellant arguments for the patentability of claim 9 on the basis of its
23 arguments supporting the patentability of parent claims to claim 9 is accordingly
24 unpersuasive for the same reasons found *supra*.

CONCLUSIONS OF LAW

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claims 1-8, 47-76, and 78-80 under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer.

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claim 9 under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer, and Fisher.

DECISION

To summarize, our decision is as follows:

- The rejection of claims 1-8, 47-76, and 78-80 under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer is sustained.
- The rejection of claim 9 under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer, and Fisher is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

JRG

Carlineo, Spicer & Kee, LLC
2003 S. Easton Road, Suite 208
Doylestown, PA 18901